

**STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE
CITY OF INGLEWOOD FORMER REDEVELOPMENT AGENCY OVERSIGHT BOARD**

**CITY OF INGLEWOOD
COUNCIL CHAMBERS
ONE MANCHESTER BOULEVARD
INGLEWOOD, CALIFORNIA 90301**

Thursday, August 16, 2012

6:00 PM

AUDIO LINK FOR THE ENTIRE MEETING (12-4061)

Attachments: [Audio](#)

CALL TO ORDER

Chair Butts called the meeting to order at 6:32 p.m.

PLEDGE OF ALLEGIANCE

Chair Butts led the Pledge of Allegiance.

ROLL CALL

Ivonne Umana, Administrative Staff Support called the roll.

Present: Chair James T. Butts, Jr., Vice Chair Michael Banner,
Board Members Carolyn M. Hull, Glenston Thompson, Jo
Ann Higdon and Margarita Cruz

Absent: Board Member Joseph T. Rouzan, Jr.

PUBLIC COMMENTS REGARDING AGENDA ITEMS

Persons wishing to address the Oversight Board on any item on today's agenda may do so at this time.

Shahiedah S. Coates, Associate County Counsel, County of Los Angeles, addressed the Oversight Board concerning Agenda Item Nos. 3, 5, and 6. Ms. Coates noted that certain line items listed on the ROPS 3 may not constitute enforceable obligations, and that AB 1484 suspends asset dispositions until a long-range property management plan is approved by the Department of Finance, with limited exceptions. She further points that AB 1484 clarifies the cut-off of June 27, 2011.

In response to Ms. Coates comments, Chair Butts informs the public that the Oversight Board will make its findings based on AB 25, which the cut-off date is noted to be June 31, 2011.

ADMINISTRATIVE MATTERS

1. Approval of the June 20, 2012 Minutes. (12-3869)

On motion of Chair Butts, second by Board Member Cruz, duly carried by the following votes, the Oversight Board approved the June 20, 2012 Minutes:

Ayes: 5 - Chair Butts Jr., Vice Chair Banner, Thompson, Board Member Higdon and Board Member Cruz

Abstentions: 1 - Board Member Hull

Absent: 1 - Board Member Rouzan Jr.

Attachments: [06-20-12 Minutes](#)

2. Discussion of future Special Meeting dates, times and locations for the Oversight Board for the review of Due Diligence Review. (12-4057)

Board Member Cruz presented a verbal report regarding the Due Diligence Review, noting that it must be completed and approved for submission to Department of Finance by October 15, 2012, and that auditors were unable to start because the Agreed-Upon Procedures were still being prepared. Board Member Cruz suggested that the Oversight Board set a meeting date closer to the October 15, 2012 deadline in order to have time to consider the Due Diligence Review.

Board Member Higdon mentioned that other agencies were being required to hold two meetings, one for a public hearing and one for Oversight Board action, and inquired whether Inglewood would be required to conduct two meetings.

Royce Jones, Successor Agency Legal Counsel, informed the Board that two public hearings were not required, but a public comment session has to be held, before the Oversight Board can take action upon the Due Diligence Review report. Mr. Jones further informed the Oversight Board that the public comment session is to be held separate from which an action has been taken, the public hearing may take place at the same meeting that the Oversight Board approves the Due Diligence Review report, adding that the report must be submitted and posted to the Oversight Board, as well as to other entities.

Board Member Cruz suggested that Oversight Board Members, because of the October 15, 2012 deadline for submittal, send dates Oversight Board members are not available to Ivonne Umana, Administrative Staff Support, in order to have a better idea of setting meeting dates for approval of the Due Diligence Review. Ms. Umana stated she would send an email to

each Oversight Board Member as a reminder, noting that the meeting scheduled for September 29, 2012, was considered a Special Meeting for the continued discussion of the ROPS 3.

By Common Consent, there being no objection (Board Member Rouzan being absent), the Oversight Board accepted Board Member Cruz' report, with the request to send dates the Oversight Board Members are not available to Administrative Staff Support.

REVIEW AND APPROVE

3. Recommendation/Approve: Review, approve, and adopt resolution for the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013. (12-3867)

Board Member Margarita Cruz presented a verbal report of the ROPS 3 and answered questions posed by the Oversight Board. In her report, she informed the Oversight Board that the Department of Finance revised the ROPS to a new format, which included the following: (1) Successor Agency Contact Information, (2) Summary of Recognized Obligation Payment Schedule, (3) Recognized Obligation Payment Schedule (ROPS III) – Notes (optional), and (4) Prior Period Estimated Obligations vs. Actual Payments Recognized Obligations Payment Schedule (ROPS I).

In response to Board Member Banner's inquiry of where was the \$12,501,135 to be found, Board Member Cruz explained the amount was derived by totaling the Low/Moderate Income Housing Fund, the bond proceeds, and a third category marked as other on ROPS 3. She further explained that the Redevelopment Property Tax Trust Fund (RPTTF) column and \$250,000 administrative cost are its own line item, and that the ROPS template contained built-in formulas that the Department of Finance (DOF) furnished for automatic accrual.

In response to Board Member Banner's inquiry if there were items on ROPS 3 that had not been approved on the previous ROPS, Board Member Cruz explained that of the two Hollywood Park items, one item was not approved in the amount of \$21.9 million and; therefore, had been placed back on ROPS 3 as Line Item No. 102 and marked "disallowed" on the Summary page.

The Oversight Board discussed with Royce Jones, Successor Agency Legal Counsel, the possibility of taking advantage of the "Meet and Confer" process created by AB 1484, whereas the DOF allows ROPS items previously rejected, such as the Hollywood Park item, to be included on ROPS 3 for review and discussion. Mr. Jones emphasized in the

discussion that the Hollywood Park was based upon a pre-2011 contract obligation and the Successor Agency was unclear why this project was rejected.

Shahiedah S. Coates, Associate County Counsel, informed the Oversight Board that she is not the independent counsel for the Oversight Board, and cannot give the Oversight Board legal advice, neither can the Successor Agency Legal Counsel but provide information. Mr. Jones clarified for the record that he did not represent the Oversight Board, and anything said is based upon his representation of the Successor Agency, and should not be considered as legal advice to the Oversight Board, but as information for the Oversight Board. The Oversight Board appreciates the information provided by both legal counsels to assist during this process of deliberation.

Board Member Banner voiced his concern regarding not receiving information in a timely manner and not being given sufficient time to review, and felt it was unfair to be pressured into making a decision due to deadlines. Board Member Hull agreed with Board Member Banner's comment.

Board Member Cruz informed the Oversight Board that the DOF provided the new forms on August 9, 2012 and went before the Successor Agency Commission on August 14, 2012, to meet the DOF deadlines. The Oversight Board requested discussion and clarification on the following ROPS 3 line items to the Oversight Board:

- Line Items Nos. 2 through 16, AB1x 26 and AB 1484 implementation and disposition cost, renewal of some contracts to wind down, a Property Management Plan to be completed, Environmental Assessment cost, Due Diligence Review cost

Board Member Cruz and Mr. Jones explained and answered the Oversight Board's questions regarding to the implementation and disposition cost of AB 1484, the background and strategy of a Long-Range Property Management Plan and the Due Diligence review, and the need of an Environmental Assessment.

Board Member Higdon requested that the Successor Agency staff provide a "Cheat Sheet," listing all properties with a brief description of each property and environmental concerns, if any.

- Line Item Nos. 31 and 32, are funded from Low-Moderate Housing Bond proceeds, previously approved but now able to implement the agreement, Department of Finance was aware of date and did approve;
- Line Item No. 47, needs to be corrected, should read \$200,000 instead of \$20 million, the error does not affect the RPTTF total
- Line Item No. 46, was \$20 million for the actual construction of the project, but there is no specific contract for the projects due to outstanding legal issues; this has been discussed with Department of Finance, and is from Tax Exempt Bonds

In response to Board Member Thompson's inquiry of the meaning of column described as 'Other' under Funding Source, Diane Hadland the Successor Agency Financial Consultant, explained that it was a 'catch all' for anything that is specifically listed, such as Tax Increment Revenue accumulated before 2011, Land Sale Proceeds & Lease Revenues, and any other source of funds the Agency may have on hand.

In response to Board Member Thompson's inquiry of ROPS Line Items No. 85 through 99, the Statutory Pass-Through payments, Diane Hadland explained that under AB1x 26 the Agency had been advised to make Pass Through payments from February 1, 2011 and forward, but the former Redevelopment Agency would be responsible for the Tax Increments received previously, and ROPS 1 and 2 included these. Ms. Hadland further informed that AB 1484 added a 'True-Up' provision that for any Pass-Through payments not made, the Successor Agency would make those payments through reconciliation in January 2013. Ms. Hadland stated that due to the confusion of AB 1484, Pass-Through payments for 2010 and 2011 were never paid, and the suggested including them on the ROPS 3, adding that these were calculated cost and not estimated cost.

- Line Item Nos. 34 through 38, AB 1484 states the Housing Authority expenditures are to be placed on the ROPS
- Line Item No. 49, the Century Boulevard Reconstruction project, no contract currently exists, but has been previously approved by DOF, and an action was taken by the former Redevelopment Agency, pursuant to Health & Safety Code 33445 which states Public Funds have to be used for Public Improvements.

Board Member Thompson expressed his concern to the Successor Agency that minor errors can be made during the process in providing accurate information on the forms and cautions the Successor Agency to be careful as the Oversight Board is dependent on the Successor Agency accuracy.

On motion of Chair Butts, seconded by Board Member Cruz, duly carried by the following vote, the Oversight Board adopted the “Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Inglewood, California, Approving a Recognized Obligation Payment Schedule for the Time Period from January 1, 2013 through June 30, 2013, Pursuant to Health and Safety Code Sections 34177(l) and 34180 (g)”; adopted a ‘Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Inglewood, California, Approving the Administrative Allowance Budget for the Time Period from January 1, 2013 through June 30, 2013; and instructed the Successor Agency to provide a “Cheat Sheet,” listing all properties with a brief description for each and environmental concerns, if any:

Attachments: [ROPS for the period of January 1, 2013 through June 30, 2013](#)
[Resolution](#)

Ayes: 4 - Board Members Thompson, Higdon, Cruz and Chair Butts, Jr.

Abstentions: 2 - Board Member and Hull Vice Chair Banner

Absent: 1 - Board Member Rouzan Jr.

4. Recommendation/Approve: Review, approve and adopt resolution for the Successor Agency Administrative Budget for the period of January 1, 2013 through June 30, 2013. (12-3868)

Please see Agenda Item No. 3 for action taken.

Attachments: [Administrative Budget for the period of January 1, 2013 through June](#)
[Resolution](#)

5. Recommendation/Approve: Review disposition of property located at the northwest corner of Olive Street and South Glasgow Avenue. (12-4058)

Royce Jones, Successor Agency Legal Counsel, explained to the Oversight Board that this item is requested by the Successor Agency to allow the process described in Health and Safety Code Section 34180, concerning the disposition of property. In response to Board Member Hull's concern that the Successor Agency is not allowed to dispose of property until the property management plan has been created and approved, Mr. Jones cited several statutes of the Health and Safety Code that constitutes an exemption allowing this action to proceed.

Board Member Hull requests County Counsel to provide additional information for clarity. Shahiedah S. Coates, Associate County Counsel, confirmed Successor Agency Legal Counsel information and further added that the approval being sought is for the Successor Agency to request that the City sell and obtain fair-market value for the asset. The request is for the Oversight Board to approve the start of the negotiation process necessary for the City to sell the asset by agreeing on compensation with the taxing entities to which County Counsel has no opposition. Ms. Coates further addressed the question of how the value of the asset is determined, adding the statute provides for any agreement reached on the value of the property pursuant to the compensation agreement, the Oversight Board may hire an appraiser to determine the fair-market value.

On motion of Chair Butts, seconded by Board Member Cruz, duly carried by the following vote, the Oversight Board approved the review of the disposition of property located at the northwest corner of Olive Street and South Glasgow Avenue:

Ayes: 6 - Board Members Hull, Thompson, Higdon, Cruz, Vice Chair Banner, and Chair Butts, Jr.,

Absent: 1 - Board Member Rouzan Jr.

6. Recommendation/Approve: Review disposition of property located at the Southwest corner of West 113th Street and South Prairie Avenue. (12-4059)

By Common Consent, there being no objection (Board Member Rouzan being absent), Agenda Item No. 6 was taken off the calendar.

REPORTS

1. Report on AB 1484 (Committee on Budget), legislation which authorizes the establishment of redevelopment agencies in communities to address the effects of blight, and, among other things, provides that an action may be brought to review the validity of specified agency actions, findings, or determinations that occurred after January 1, 2011, within two years of the triggering event.
(12-4060)

Royce Jones, Successor Agency Legal Counsel, and Shahiedah S. Coates, Associate County Counsel, provided a verbal summary of AB 1484.

By Common Consent, there being no objection (Board Member Rouzan being absent), the Oversight Board accepted Mr. Jones and Ms. Coates' summary.

PUBLIC COMMENTS REGARDING OTHER MATTERS

Persons wishing to address the Oversight Board on any other matter not elsewhere considered on this agenda may do so at this time.

There were none.

OVERSIGHT BOARD MEMBERS REMARKS

Board Member Higdon express her appreciation to Chair Butts, in assisting with negotiations for Bonds for El Camino College, which saved Tax Payers over \$2,000,000. Chair Butts biography was very helpful during the process.

Chair Butts expressed his appreciation to the Oversight Board Members and Successor Agency staff during this process of the ROPS 3.

ADJOURNMENT

The meeting adjourned at 8:25 p.m. The next regular meeting will be September 20, 2012.